

December 13, 2012 MEETING MINUTES

2013 DELAWARE COMPENSATION COMMISSION

5:00 P.M. – 7:00 P.M.

Haslet Armory, Dover, DE

Commission Members Present:

Jennifer J. Davis (J.J.)

Donald Puglisi

Michael Ratchford

Harold Stafford

William Willis

Meaghan Brennan for Ann Visalli (ex-officio)

Others in Attendance:

Consultant to the Commission: Michael Nadol

The News Journal reporter: Jonathan Starkey

Office of Management and Budget (OMB) Staff:

Linda McCloskey

Lisa Allison

Jessica Eisenbrey

Abbey Feierstein

The third meeting of the 2013 Delaware Compensation Commission (DCC) began with the consideration of minutes from the November 27, 2012 meeting. Mrs. Davis moved and Mr. Puglisi seconded a motion to accept the minutes as written. No objections were noted.

The materials requested by the DCC at its prior meeting from Mr. Nadol were handed out and discussed including salary survey data from local and municipal governments in the Mid-Atlantic region, compensation data regarding federal judges, and national rankings of Delaware's judiciary. Follow-up documents prepared by the Office of Management and Budget (OMB) were also distributed including organizational charts of OMB, Departments of Transportation and State, and median State salaries for each of the positions under the DCC's authority. Discussion and observations noted that a comparison between State salaries and those of the City of Philadelphia appeared to be within range and that there was probably enough of a difference between existing salaries of State cabinet secretaries and division directors to avoid compression.

Ms. Brennan clarified information presented in the budget narratives for each agency, noting that the organizational structures are not always comparable for each, and all duties of each agency may not be represented in their organizational structures.

Mr. Ratchford noted the growth in specific agencies since the 2005 report by the DCC, including growth in OMB and the Departments of State and Transportation.

Mr. Ratchford then commented on the remarks presented to the DCC at the public comment meeting held prior to the 5:00 p.m. meeting. It was requested that the Judiciary's proposals be costed out. Ms. Brennan noted that the comparative State salaries used in the Judiciary's presentation represented the mid-point value of the salary ranges and not actual salaries. HRM provided the DCC with actual salaries. Mr. Ratchford then noted the Judiciary's concern for increased compensation to assist them in attracting a diverse seasoned applicant pool. Mr. Puglisi stated the percent of increase that the DCC could realistically support was not going to be enough to make a difference. Mr. Ratchford also noted the importance of making recommendations that laid out a compensation path forward. Mrs. Davis asked Ms. Brennan to include both salaries and Other Employment Costs (OECs) when costing out the Judiciary's proposal. Phasing in increases over a three and four year period for the Judiciary was discussed. Mr. Willis asked Ms. Brennan if she could provide the cost of a 1% increase for the Judiciary so that the DCC could better project the costs of their recommendations. OMB staff was asked to provide the DCC with a history of judicial compensation.

Mr. Ratchford then summarized the presentation given by Mr. Barlow, the Governor's Chief of Staff. He noted that the Governor's Office supports consolidations of some of the tiers resulting in increases in compensation for six of the cabinet secretaries: Health and Social Services, State, Transportation, Labor, Agriculture and Delaware State Housing Authority due to the changing scope and breadth of their responsibilities. Ms. Davis said she is interested in collapsing the tiers further. She recommended a two-tiered system. Mr. Puglisi voiced his support for a two-tier system.

Mr. Ratchford noted that market data and median salaries need to be considered at the DCC's next meeting, that the DCC wants to keep salaries competitive and not lose ground, and finally that the recommendations of the DCC should also be forward looking. In considering salaries, it was noted that some thought should be given to the current relationship between the salary of the Governor and the Secretary of Education and further to consider any salary compression that might result among mid-level managers in Department of Education. Phasing in of some increases over multiple years was discussed as an option. In response to Mr. Ratchford's request for information about the salaries of elected officials, Mrs. McCloskey provided the DCC with median salary survey data for this group. Coupled with the tiers, the DCC discussed salary bands for each tier and as a result Mrs. McCloskey offered that HRM would prepare a document showing what the proposed tiers and salary bands might look like. In addition, HRM will provide ranges which allow the flexibility to pay cabinet officials from 10% below to 10% above recommended salaries and the approximate cost of these changes including OECs.

Prior to closing, Ms. Brennan noted that any fiscal impact based upon the recommendations from the DCC will be addressed as part of the mark-up budget process as was consistent with the practice used for the DCC in 2005.

Mr. Ratchford noted that the DCC received written comment from the Senate and House Republican Caucuses, and the House Democratic Caucus expressed their opinion in recent newspaper articles.

Mr. Ratchford noted that the DCC will meet next on Tuesday, December 18, 2012 beginning at 1 p.m. in the conference room at the Smyrna Rest Area.

The meeting adjourned at 6:50 p.m.